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CAM Government Securities Investment Fund ANNUAL REPORT and FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 APRIL 2013 (DATE OF INCEPTION) TO 31 DECEMBER 2013

Yerevan-2014

CAM Government Securities Investments Fund

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TO THE INVESTORS OF THE CAM GOVERNMENT SECURITIES INVESTMENT FUND OF CAPITAL ASSET MANAGEMENT CJSC

Since its establishment, Capital Asset Management CJSC has been committed to offering investment and retirement solutions to investors in Armenia and abroad. By entering the market with CAM Government Securities Investment Fund (CAM GSF) and other investment funds that we plan to launch in the future, we believe we can offer local investors a strong alternative to bank deposits and other traditional investment instruments. Investment funds are available to institutional as well as retail clients and may be suitable for both long-term and short-term investment goals.

Since its inception CAM Government Securities Investment Fund has delivered exceptional returns to its investors. The Share classes A, B, and C have returned 30.68%, 30.29%, 30.00% since starting operations on June 4th, 2013. Although the growth of Net Asset Value of the fund had a lot to do with major movements in market interest rates, we have been able to take advantage of the situation and earn above average returns and thus add more value for our investors.

Capital Asset Management is pleased to submit the 2013 report covering the operation of its CAM GSF fund. This report is intended to provide you with financial information regarding the Fund for the reporting period. In addition, we include brief comments concerning the performance of the Fund and the strategies we employ in managing it. If you have any questions or comments please do not hesitate to contact us.

Thank you for your confidence in Capital Asset Management. It is our privilege to serve you, and we look forward to serving your investment needs in the future.

Sincerely,

Hayk Voskanyan
Chief Executive Director

CAM GOVERNMENT SECURITIES INVESTMENT FUND

Investment Objective

The Fund aims to provide regular income and stable growth by investing exclusively in Government Securities issued by the Republic of Armenia or securities issued or fully guaranteed by the Central Bank of Armenia. The Fund is suitable for conservative investors who seek to achieve high returns and take advantage of the fund's liquidity while not taking high risk. Class A is aimed for long-term investing (more than 4 years), Class B is for medium-term investing (1-3 years) and Class C is for short-term investing (less than 1 year).

Market Review

The year of 2013 saw significant changes in the government securities market. Since the middle of the 3rd quarter, the Armenian Ministry of Finance occasionally announced that it would pursue a policy of reducing the interest rates on locally issued government securities across the yield curve. The possibility and likelihood of such policy became more evident after the Armenian Government raised $ 700 million in debut Eurobond issue in September of 2013 which served as an alternative source of funding. As a result, the bond market gained a strong sentiment of future decease in internal supply of Government debt. These expectations acted as the main force driving interest rates down during the 4th quarter of 2013.

The Armenian government securities market was also affected by the introduction of the mandatory pension system that was scheduled to start in the beginning of 2014. Due to the lack of investment options in the Armenian securities market, it was expected that the mandatory pension funds would allocate large amounts of assets into the government securities increasing the demand for them. This increase in expected demand also affected the price of government securities required by investors and dropped the interest rates even further down. As an example, the yield reduction on 7-year government bonds between the months of September and December amounted to about 350 basis points.

As far as the AMD/USD currency rate is concerned, the market did not experience much volatility. In fact, the Armenian Dram appreciated slightly compared to USD.

Portfolio Review

The Fund's positive performance is largely attributable to our emphasis on relative value in the portfolio. With this approach, we invested in Government fixed income securities overweighing our exposure in the longer term area of the curve to take advantage of respective interest rates.

Our investment strategy was based on the expectations that due to the availability of alternative financing such as Eurobond offering as well the increase in expected demand caused by the introduction of the mandatory pension system, the value of the Government securities would increase substantially. Thus, we established an overweight to long term Government securities and an underweight to mid-term and short-term Government securities.

Investment Performance

Total returns for the period from 30 April 2013 (inception date) to 31 December 2013

	ONE MONTH*	THREE MONTHS*	SINCE INCEPTION*
Class A	**6.93%**	**21.46%**	**30.68%**
Class B	**6.88%**	**21.28%**	**30.29%**
Class C	**6.80%**	**21.02%**	**30.00%**

According to the Fund rules, the Manager in year 1 since the Fund's inception to construct and present a benchmark, based on which the participants will have the opportunity to assess the profitability level of the Fund in comparison to the benchmark. The benchmark will be constructed based on the standards for comparable instruments/indexes/market standards (standards) with regard to risk, profitability, time horizon of different groups of assets. As of the date of this report, the benchmark is in the process of construction. Performance shown above is based on net asset value and assumes reinvestment of distributions, if any.

Past performance does not guarantee future results.

** Not annualized. One month and three months information represents the respective periods to 31 December 2013.*

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Management is responsible for the preparation of the financial statements that present fairly the financial position of CAM Government Securities Investment Fund (the Fund or CAM GSF) as of 31 December 2013, and the results of its operations, cash flows and changes in shareholders' equity for the period from 30 April 2013 (date of inception) to 31 December 2013, in compliance with International Financial Reporting Standards ("IFRS").

In preparing the financial statements, management is responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Fund's financial position and financial performance;
- making an assessment of the Fund's ability to continue as a going concern.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls, throughout the Fund;
- maintaining adequate accounting records that are sufficient to show and explain the Fund's transactions and disclose with reasonable accuracy at any time the financial position of the Fund, and which enable them to ensure that the financial statements of the Fund comply with IFRS;
- maintaining statutory accounting records in compliance with legislation and accounting standards of the Republic of Armenia;
- taking such steps that are reasonably available to them to safeguard the assets of the Fund; and
- preventing and detecting fraud and other irregularities.

The financial statements of the Fund for the period from 30 April 2013 (date of inception) to 31 December 2013 were approved by management on April 14, 2014.

On behalf of the Management:

Hayk Voskanyan
Chief Executive Officer

Karen Khachatryan
Chief Accountant, Authorised representative

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of CAM Government Securities Investment Fund

We have audited the accompanying financial statements of CAM Government Securities Investment Fund, which comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the period from 30 April 2013 (date of inception) to 31 December 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.
We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CAM Government Securities Investment Fund as at 31 December 2013, and its financial performance and its cash flows for the period from 30 April 2013 (date of inception) to 31 December 2013 in accordance with International Financial Reporting Standards.

Srbuhi Hakobyan
Executive Director

Arpine Ghevondyan
Audit Director

Deloitte Armenia cjsc
14 April 2014

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STATEMENT OF FINANCIAL POSITION

In thousands of dram	Note	31 December 2013
Assets		
Cash and cash equivalents	6	158
Financial assets at fair value through profit or loss	7	76,578
Total assets		**76,736**
Liabilities		
Income taxes payable		3
Other payables		83
Total liabilities (excluding net assets attributable to unitholders)		**86**
Net assets attributable to unitholders equivalent to 1,307, 1,303, 1,300 dram for 5,814, 5,993 and 47,112 units outstanding per Class A, Class B and Class C, respectively	8	**76,650**

Approved on behalf of the Management on 14 April 2014.

Hayk Voskanyan
Chief Executive Officer

Karen Khachatryan
Chief Accountant, Authorised representative

The accompanying notes on pages 11 to 29 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

In thousands of dram	Note	For the period from 30 April 2013 (date of inception) to 31 December 2013
Interest income	9	2,980
Net gain from financial instruments at fair value through profit or loss	10	11,688
Total operating income		**14,668**
Investment management fees	11	(379)
Custodian fees		(37)
Commission fees		(3)
Income tax expense		(3)
Total operating expenses		**(422)**
Net income before finance costs		14,246
Finance costs		-
Profit for the period		**14,246**
Increase in net assets attributable to unitholders		**14,246**

Approved on behalf of the Management on 14 April 2014.

Hayk Voskanyan
Chief Executive Officer

Karen Khachatryan
Chief Accountant, Authorised representative

The accompanying notes on pages 11 to 29 form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

In thousands of dram	Note	For the period from 30 April 2013 (date of inception) to 31 December 2013
Net assets attributable to unitholders at 30 April 2013(date of inception)		-
Issuance and redemptions by unitholders:		
Proceeds from issue of units		62,404
Payments on redemption of units		-
Net increase from unit transactions		**62,404**
Increase in net assets attributable to unitholders for the period		**14,246**
Net assets attributable to unitholders at 31 December 2013	8	**76,650**

Approved on behalf of the Management on 14 April 2014.

Hayk Voskanyan
Chief Executive Officer

Karen Khachatryan
Chief Accountant, Authorised representative

The accompanying notes on pages 11 to 29 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

In thousands of dram	Note	For the period from 30 April 2013 (date of inception) to 31 December 2013
Cash flows from operating activities		
Interest received		2,546
Interest paid		-
Purchase of financial assets at fair value through profit or loss		(83,360)
Proceeds from sale of financial assets at fair value through profit or loss		18,904
Operating expenses paid		(336)
Net cash used in operating activities		**(62,246)**
Cash flows from financing activities		
Proceeds from issue of units	8	62,404
Payments on redemptions of units		-
Net cash from financing activities		**62,404**
Net increase in cash and cash equivalents		158
Cash and cash equivalents at 30 April 2013 (date of inception)		-
Effect of exchange rate fluctuations on cash and cash equivalents		-
Cash and cash equivalents at 31 December 2013	6	158

Approved on behalf of the Management on 14 April 2014.

Hayk Voskanyan
Chief Executive Officer

Karen Khachatryan
Chief Accountant, Authorised representative

The accompanying notes on pages 11 to 29 form an integral part of these financial statements.

1. SCHEDULE OF INVESTMENTS

In thousands of dram		31 December 2013
Nominal Amount (AMD)	**Description**	**Fair Value**
Republic of Armenia Government and Agencies—99.9%		
Republic of Armenia Treasuries –99.9%		
16,000	12%, 17/02/2021, semi-annual, AMD	17,395
12,400	12%, 17/02/2018 semi-annual, AMD	13,753
5,000	10%, 29/04/2016 semi-annual, AMD	5,153
13,100	11%, 29/04/2017, semi-annual, AMD	13,792
12,700	11%, 07/02/2028, semi-annual, AMD	13,410
12,900	10%, 29/04/2018, semi-annual, AMD	13,075
	Total Republic of Armenia Treasuries	**76,578**
Total Republic of Armenia Government and Agencies		**76,578**
(cost in thousands of dram 68,020)		
Total Investments (cost AMD 68,020)--- 99.9%		**76,578**
Other assets in excess of liabilities —0.1%		**72**
Net Assets—100.0%		**76,650**

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2. Reporting entity

CAM Government Securities Investment Fund (the CAM GSF or the Fund) is an open-ended contractual investment fund. The Fund represents an investment fund with short to long term growth objectives. The Fund was incorporated in the Republic of Armenia (RA) on 30 April 2013 for an unlimited duration as an open-ended investment fund under the laws of RA and under the decision 123-A by Central Bank of RA. The Fund's registered office is Khorenatsi 15, Suite 5, Yerevan, Republic of Armenia.

The investment objective of the Fund is to achieve consistent short to medium to long term returns while safeguarding capital by investing in a diversified portfolio of interest bearing securities and related derivatives in several currencies in domestic markets. Fund assets may be invested in government bonds and derivatives with government bonds, including derivatives outside the regulated market provided the transactions are with regulated counterparties and the instrument provides sufficient liquidity and fair value determination opportunity.

The Fund's investment activities are managed by "Capital Asset Management" cjsc (the Manager) which was founded on October 18, 2012 and registered with Central Bank of RA as an investment fund manager receiving license number 1. The Manager is responsible for the administration of the Fund, management of investments and participant recordkeeping. The Manager has outsourced Fund's accounting to AN Audit cjsc and has appointed VTB Armenia Bank cjsc as the custodian of the Fund.

The Fund's units are redeemable at the holder's option. The units cannot be traded on the stock exchange.

The financial statements of the Fund for the period from 30 April 2013 (date of inception) to 31 December 2013 were authorised for issue in accordance with a resolution of the Board of Directors of the Manager on 14 April 2014.

The Capital Asset Management cjsc acts as the Fund's investment adviser (the "Advisor"). The Capital Asset Management is a subsidiary of Capital Investments, a financial holding company with ultimate controlling party Mr Tigran Karapetyan.

Business environment

Government regulators oversee the conduct of the Fund's and the Manager's business in many ways, and may perform regular examinations to monitor compliance with applicable statutes, regulations and rules. These statutes, regulations and rules cover all aspects of the business, including sales and marketing activities, trading practices, treatment of customer assets, continuing education requirements for employees, anti-money laundering practices, know your client policies, recordkeeping and reporting, and supervision regarding the conduct of directors, officers and employees.

Armenian business environment

A Fund's operations are conducted in the Republic of Armenia. Consequently, the Fund and its assets are exposed to the economic and financial markets of the Armenian Republic which display characteristics of an emerging market. The legal, currency, tax and regulatory frameworks continue development and are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the Republic of Armenia. Furthermore, the need for further developments in the bankruptcy laws, and other legal and fiscal impediments further contribute to the challenges faced by financial institutions currently operating in the Republic of Armenia.

The Fund's assets are based in the Republic of Armenia. Emerging markets such as Armenia are subject to different risks than more developed markets. As has happened in the past, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in Armenia and its economy in general. The Fund's assets can be adversely affected by the general environment – economic, corporate, securities market, regulatory, and geopolitical developments all play a role in client asset valuations, trading activity, interest rates and overall investor engagement, and are outside of the Fund's control. Deterioration in credit markets, reductions in short-term interest rates, and decreases in securities valuations negatively impact the net asset values attributable to unitholders.

The future economic direction of the Republic of Armenia is largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by the Government, together with tax, legal, regulatory and political developments. The global financial turmoil that has negatively affected Armenia's financial and capital markets in 2009 and 2010 has receded and the economy returned to growth in 2011 and 2012. However significant economic uncertainties remain. Management is unable to predict all developments which could have an impact on the financial sector and wider economy and consequently what effect, if any, they could have on the future net asset value of the Fund. Management believes it is taking all the necessary measures to support the sustainability and development of the Fund's net asset value. The accompanying financial statements reflect management's estimates of the potential effect of the current operating and business environment on the results and financial position. The future business environment may differ from management's estimates.

3. Basis of preparation

(a) Statement of compliance

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRSs).

(b) Basis of preparation

The financial statements have been prepared on a historical-cost basis, except for financial instruments as explained in the accounting policies below.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Fund takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Fund maintains its accounting records in accordance with the law of Armenia. These financial statements have been prepared from the statutory accounting records and have been adjusted to conform to IFRS.

The Fund presents its statement of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 5.

(c) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates (the functional currency). Armenian dram is the currency of the Republic of Armenia and the Fund's functional and presentation currency. All financial information is presented rounded to the nearest thousands of dram, except when otherwise indicated.

(d) Tax

Under present law governing the Investment Fund in Armenia, the Fund is not subject to tax on income, profits or capital gains or other taxes payable. The Fund is taxed at 0.01% based on total net assets annually.

(e) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund has a legal right to offset the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(f) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts recognised in the financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates. Management also makes certain judgments, apart from those involving estimations, in the process of applying the accounting policies. Judgments that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year relate to accounting for financial instruments, particularly fair value measurements. The best evidence of fair value is price quotations in an active market. In the absence of quoted prices in an active market, the Fund uses other evaluation techniques, such as the comparative approach with similar instruments both in the internal and external markets. Fair value measurements are discussed in Note 12.

4. Significant accounting policies

The accounting policies set out below have been applied consistently throughout the reporting period.

(a) Foreign currency

Transactions in foreign currencies are translated into the functional currency at the appropriate exchange closing rate at the dates of the transactions. In the absence of exchange closing rates, average daily exchange rate published by Central Bank of RA is used. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognized in profit or loss as net foreign exchange gain (loss), except for those arising on financial instruments at fair value through profit or loss, which are recognised as a component of net gain or loss from financial instruments at fair value through profit or loss.

(b) Interest

Interest income and expense, including interest income from non-derivative financial assets at fair value through profit or loss, are recognised in profit or loss, using the effective interest method.

When calculating the effective interest rate, the Fund estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. Interest received or receivable, and interest paid or payable are recognised in profit or loss as interest income and interest expense, respectively.

(c) Security Transactions and Related Investment Income

Securities transactions are accounted for on trade date (date securities are purchased or sold). Interest income is recorded on an accrual basis. Dividend income is recorded on the ex-dividend date. The cost of securities sold is computed on a weighted average cost basis.

With respect to any short-term and fixed-income investments, discounts and premiums are amortized and are included in investment income. The cost of securities is calculated on an amortized cost basis.

In the statement of comprehensive income net gain from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences, but excludes interest and dividend income.

(d) Expenses

All expenses, proper charges and disbursements of the Manager in the performance of its duties under the Fund Rules may be charged to the Fund.

The management fees charged to the Fund is presented in Note 11.

(e) Fees and commission expenses

Fees and commission expenses are recognised in profit or loss as related services are performed.

(f) Financial Instruments

The Fund recognizes financial assets and liabilities in its statement of financial position when it becomes a party to the contractual obligations of the instrument. Regular way purchases and sales of financial assets and liabilities are recognized using settlement date accounting. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets. Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held to maturity' ("HTM") investments, 'available-for-sale' ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL. Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Manager manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Fund's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: *Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend and interest earned on the financial asset and is included in the 'net gain from financial instruments at fair value through profit or loss' and 'interest income' line item, respectively, in the statement of profit or loss and other comprehensive income. Fair value is determined in the manner described (see Note 12).

Held to maturity investments. Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Fund has the positive intent and ability to hold to maturity. Held to maturity investments are measured at amortised cost using the effective interest method less any impairment.

If the Fund were to sell or reclassify more than an insignificant amount of held to maturity investments before maturity (other than in certain specific circumstances), the entire category would be tainted and would have to be reclassified as available-for-sale. Furthermore, the Fund would be prohibited from classifying any financial asset as held to maturity during the current financial year and following two financial years.

Available-for-sale financial assets. Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held to maturity investments or (c) financial assets at fair value through profit or loss.

Fair value is determined in the manner described. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of other-than-temporary impairment losses, interest calculated using the effective interest method, dividend income and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

Loans and receivables. Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Derecognition of financial assets. The Fund derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset other than in its entirety (e.g. when the Fund retains an option to repurchase part of a transferred asset), the Fund allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised is recognized in profit or loss. A cumulative gain or loss that had been recognised is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Manager manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Fund's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'interest expenses' line item in the statement of profit or loss and other comprehensive income. Fair value is determined in the manner described.

Other financial liabilities. Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities. The Fund derecognises financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or they expire. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

(g) Redeemable units and net assets attributable to holders of redeemable units

The Fund has three classes of units in issue: Class A, Class B and Class C. All classes are the most subordinate classes of financial instruments in the Fund and rank pari passu in all material respects and have the same terms and conditions other than management fee rate, issue and redemption fee arrangements and investment policies. Redeemable shares can be put back to the fund at any time for cash equal to a proportionate share of the Fund's net asset value attributable to the unit. The redeemable shares are classified as financial liabilities and are measured at the redemption amounts.

Redeemable units are issued and redeemed based on the Fund's net asset value per unit class, calculated by dividing the net assets of the Fund, calculated in accordance with Fund's rules (which are in line with IFRS), by the number of redeemable units in issue. All proceeds and payments for units issued and redeemed are shown as movements in the statement of changes in net assets attributable to unitholders.

The net asset value of the Fund is determined as of the time established in the Offering Documents relating to the particular Fund on each Business Day (the "Valuation Date") and on any other dates and at any other times as may be required for any purpose determined by the Manager or its designee.

(h) Distribution to unitholders

It is the intention of the Manager that Fund income shall not be distributed to unitholders but shall be re-invested in the Fund.

5. Risk management

The Fund's business activities expose it to a variety of financial risks, including market, credit, liquidity risks, and non financial risks, including technology, operations, legal, and reputational risks. Identification and management of these risks are essential to the success and financial soundness of the Manager and the Fund. This note presents information about the Fund's exposure to these risks, its objectives, policies and processes for measuring and managing risks.

The Manager takes an active role in the risk management process and has policies and procedures under which specific business and control units are responsible for identifying, measuring, and controlling various risks. Oversight of risk management is delegated to the Executive body of the Manager, which is responsible for reviewing and monitoring risk exposures and leading the continued development of risk management policies and practices. The specific areas include:

- credit and market risk, focusing on credit exposures resulting from taking positions in certain securities.
- information security and privacy, focusing on information security and privacy policies, procedures and controls
- investment management, focusing on activities in which the Fund and its principals operate in an investment managers' capacity
- operational risk management, focusing on risks relating to potential inadequate or failed internal processes, people and systems, and from external events and relationships (e.g., vendors and business partners).

Management has written policies and procedures that govern the conduct of business by employees, relationships with clients and the terms and conditions of relationships with counterparties. The client related policies address the client participation in funds, data and physical security, compliance with industry regulation and codes of ethics to govern employee and advisor conduct among other matters.

Risk is inherent in the Manager's business. Consequently, despite efforts to identify areas of risk and implement risk management policies and procedures, there can be no assurance that the Manager and the Fund will not suffer unexpected losses due to operating or other risks.

a) Financial risk management

Financial risks are risks arising from financial instruments to which the Fund is exposed during or at the end of the reporting period. Financial risk comprises market risk (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

The Fund may maintain positions in a variety of derivative and non-derivative financial instruments in accordance with its investment management strategy. The Fund's rules detail its investment policy and guidelines that encompass its overall investment strategy, tolerance to risk and its general risk management philosophy. The restrictions on the investment portfolio of the Fund are also regulated by the decision 337-N of the Board of Central Bank of RA on December 6, 2011.

Credit risk

Credit risk is the risk of loss due to adverse changes in a borrower's, issuer's or counterparty's ability to meet its financial obligations under contractual or agreed upon terms. The Fund bears credit risk primarily on investing activities and bank balances. The Fund seeks to control its credit risks by applying monitored investment strategy as well as sound selecting of servicing banking partners. The Fund may enter into secured financing transactions such as sale and repurchase agreements (repo agreements) or purchase and resale agreements (reverse repo agreements) for a total up to 10% of the Fund assets. For secured transactions involving repurchase and resale agreements the Fund is permitted to sell or repledge the securities held as collateral and use these securities to enter into securities lending arrangements or to deliver to counterparties to cover any short positions.

The Manager has responsibility for the oversight of credit risk and is responsible for management of the Fund's credit risk, including formulating credit policies, covering collateral requirements, credit assessment, reviewing and assessing credit risk, limiting concentrations of exposure to counterparties, and by issuer, credit rating band, market liquidity and country. Management regularly reviews asset quality. The Fund defines its risk appetite by approving a policy on limits, granting specific approval of large transactions.

As at 31 December 2013 credit risk exposure is presented in the table below:

In thousands of drams	Carrying amount	Country	Credit rating
Assets			
Cash and cash equivalents	158	Armenia	Unrated
Financial assets at fair value through profit or loss			
Republic of Armenia Treasuries	76,578	Armenia	Unrated
	76,736	-	-

Cash and cash equivalents are held with one financial institution representing 0.2% concentration in relation to net assets as at reporting date. Financial performance of the bank is monitored on a quarterly or more frequent basis, as required, as part of Manager's financial risk management procedures.

As at 31 December 2013 none of the financial assets are past due or impaired.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund maintains excess liquidity in the form of overnight cash deposits and short-term investments to cover daily funding needs and to support net asset growth for the unitholders. Factors which affect the cash position and cash flows include investment activity in securities, levels of unit subscription and redemption. The combination of these factors can cause significant fluctuations in the cash position during specific time periods.

The Fund's policy and the investment manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemptions of units, without incurring unacceptable losses or risking damage to the Fund's reputation.

According to its rules the Fund is obligated to redeem units (in cases set forth by law) within three days after receiving the corresponding notice. Accordingly the Fund is exposed to daily calls on its units outstanding. Consequently, for managing liquidity the Fund takes into account already received and expected unit redemption notices.

The Fund does not maintain cash resources to meet all of these needs as experience shows that the level of redemptions can be predicted with a reasonable level of predictability and management believes that the Fund's assets are highly liquid and can be sold on demand to meet cash outflows on financial liabilities.

In the table below the financial assets and liabilities, as recognised in the statement of financial position as at 31 December 2013, detail the Fund's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Fund can be required to pay.

In thousands of drams	Carrying amount	On demand To less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years
Financial liabilities						
Other payables	**86**	86	-	-	-	-
Net assets attributable to unitholders	**76,650**	76,650				
Total financial liabilities	**76,736**	**76,736**	-	-	-	-

The Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 30 days or less. Management expects that the cash flows from certain financial assets and liabilities will be different from their contractual terms either because management has the discretionary ability to manage the cash flows or because past experience indicates that cash flows will differ from contractual terms. Management holds a portfolio of securities that are liquid and can be used to meet outflows of financial liabilities and unit redemptions. In the table below the financial assets and liabilities, as recognised in the statement of financial position as at 31 December 2013, are presented on a discounted basis and are based on their contractual cash flows.

In thousands of drams	Carrying amount	On demand To less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years
Financial Assets						
Cash and cash equivalents	**158**	158	-	-	-	-
Financial assets at fair value through profit or loss	**76,578**	-	3,953	3,732	51,188	17,705
Total financial assets	**76,736**	**158**	**3,953**	**3,732**	**51,188**	**17,705**
Financial liabilities						
Other payables	**86**	86	-	-	-	-
Net assets attributable to unitholders	**76,650**	76,650				
Total financial liabilities	**76,736**	**76,736**	-	-	-	-
Net position	-	**(76,578)**	**3,953**	**3,732**	**51,188**	**17,705**

Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads will affect the Fund's income or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Fund manager manages its investment inventory by instrument type and on a daily basis.

Interest rate risk

The Fund is exposed to the risk that the fair value or income / future cash flows of its financial instruments portfolio will fluctuate as a result of fluctuations in market interest rates. In respect of the Fund's interest-bearing financial instruments, the Fund's policy is to transact in financial instruments that mature such that they best correspond to the expected unit redemptions. Nevertheless, the impact of interest rate risk can be high due to fluctuations in the prevailing levels of market interest rates.

Interest-earning assets are financed primarily by subscriptions into the Fund, which represent non-interest-bearing funding sources. Interest income is affected by changes in the volume and mix of these assets as well as by fluctuations in interest rates and portfolio management strategies. When interest rates fall, the Manager may attempt to mitigate some of this negative impact by extending the maturities of assets in investment portfolios to lock in asset yields. A summary of the interest rate gap position for financial instruments at 31 December 2013 is as follows:

In thousands of drams	Carrying amount	Less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years	Non-interest bearing
Financial Assets							
Cash and cash equivalents	**158**	158	-	-	-	-	-
Financial assets at fair value through profit or loss	**76,578**	-	3,953	3,732	51,188	17,705	-
Total financial assets	**76,736**	**158**	**3,953**	**3,732**	**51,188**	**17,705**	-
Financial liabilities							
Other liabilities	**86**	-	-	-	-	-	86
Net assets attributable to unitholders	**76,650**						76,650
Total financial liabilities	**5**	-	-	-	-	-	**76,736**
Net position	-	**158**	**3,953**	**3,732**	**51,188**	**17,705**	**(76,736)**

The fund did not hold any floating rate instruments as at reporting date. An analysis of sensitivity of profit or loss and net assets to changes in interest rates based on a simplified scenario of a 100 bp parallel fall or rise in all yield curves and positions of interest bearing assets and liabilities existing at 31 December 2013 is as follows:

In thousands of drams	31 December 2013 Profit or loss
Parallel increase of rates by 100 basis points	3,583
Parallel decrease of rates by 100 basis points	(3,583)

The table below presents average interest rates on interest bearing instruments based on reports reviewed by the Manager. These interest rates are an approximation of the yields to maturity of these assets.

	31 December 2013
In % p.a.	AMD
Interest bearing assets	**13.61%**
Interest bearing liabilities	-

Foreign Currency risk

Foreign currency risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the Fund. The Manager has a policy to manage Fund's exposure to currency risk in line with the currency diversification rules set in the Fund Rules. As of the reporting date, Fund is not exposed to currency risk as all financial assets and financial liabilities were AMD denominated.

b) Operational risk management

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation. The primary responsibility for the development and implementation of controls over operational risk rests with the Fund manager. Fund management process follows general standards, which includes control of business processes.

c) Capital risk management

The Fund's capital is represented by the net assets attributable to unitholders. The Fund strives to invest the subscriptions in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions. The Management may redeem and issue new units in accordance with the constitutive documents of the Fund.

d) Non-financial risk management

Technology and operating risk

The Manager, and respectively the Fund, face technology and operating risk which is the potential for loss due to deficiencies in control processes or technology systems of the Manager, its vendors or its outsourced service providers that constrain the ability to gather, process, and communicate information and process own and unitholder transactions efficiently and securely, without interruptions. This risk also includes the risk of human error, employee misconduct, external fraud, computer viruses, distributed denial of service attacks, terrorist attacks, and natural disaster. The Manager's operations are highly dependent on the integrity of its technology systems and success depends, in part, on the ability to make timely enhancements and additions to its technology in anticipation of evolving client needs. To the extent the Fund experiences system interruptions, errors or downtime, business and operations could be significantly negatively impacted. To minimize business interruptions, the Fund maintains backup and recovery functions, including facilities for backup and communications, and conducts testing of disaster recovery plans.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. The Manager maintains policies and procedures regarding the standard of care expected with data, whether the data is internal information, employee information, or non-public client information. The Manager clearly defines for employees, contractors, and vendors the expected standards of care for confidential data. Regular training is provided in regard to data security.

Despite risk management efforts, it is not always possible to deter or prevent technological or operational failure, or fraud or other misconduct, and the precautions taken by the Manager may not be effective in all cases. The Manager and the Fund may be subject to litigation, losses, and regulatory actions in such cases, and may be required to expend significant additional resources to remediate vulnerabilities or other exposures.

Regulatory risks

As a participant in the securities, asset management markets, the Manager is subject to extensive regulation by governmental agencies, supervisory authorities, primarily by the RA Central Bank. These regulatory agencies generally have broad discretion to prescribe greater limitations on the operations of a regulated entity for the protection of investors or public interest. As investment adviser the Manager is also subject to regulatory requirements relating to fiduciary duties to clients, performance fees, maintaining an effective compliance program, solicitation arrangements, conflicts of interest, advertising, limitations on agency cross and principal transactions between the advisor and advisory clients, recordkeeping and reporting requirements, disclosure requirements and general anti-fraud provisions.

Financial institutions generally must have anti-money laundering procedures in place, implement specialized employee training programs, designate an anti-money laundering compliance officer. Further, regulatory activity in the areas of privacy and data protection continues to grow worldwide and is generally being driven by the growth of technology and related concerns about the rapid and widespread dissemination and use of information. To the extent they are applicable to the Fund/Manager, compliance with these requirements has to be ensured.

Management has invested heavily in compliance functions to monitor its compliance with the numerous legal and regulatory requirements applicable to its business. Despite efforts to comply with applicable regulations, there are a number of risks, particularly in areas where applicable regulations may be unclear or where regulators revise their previous guidance. Any enforcement actions or other proceedings brought by the regulators against the Manager or its affiliates, officers or employees could result in fines, penalties, cease and desist orders, enforcement actions, suspension or expulsion, or other disciplinary sanctions, including limitations on business activities, any of which could harm the Manager's and the Fund's reputation and adversely affect the results of operations and financial condition. The consequences of noncompliance can include substantial monetary and non-monetary sanctions.

6. Cash and cash equivalents

In thousands of dram	31 December 2013
Current accounts with banks	158
Total cash and cash equivalents	**158**

Cash and cash equivalents are held with one financial institution representing 28% concentration in relation to net assets as at the reporting date.

7. Financial assets at fair value through profit or loss

In thousands of dram	31 December 2013
Financial assets at fair value through profit or loss	
Government treasuries	76,578
	76,578

Financial instruments at fair value through profit or loss comprise financial instruments represented by government bonds. Management assesses the performance of these instruments based on their fair values and irrevocably designated these securities as financial instruments at fair value through profit or loss. None of the financial assets are past due or impaired.

8. Net assets attributable to unitholders

The analysis of movements in the number of units and net assets attributable to unitholders during the period were as follows:

Number of units	For the period from 30 April 2013 (date of inception) to 31 December 2013			
	Class A	Class B	Class C	Total
Balance at 30 April	-	-	-	-
Issue of units during the period	5,814	5,993	47,112	58,919
Redemption of units during the period	-	-	-	-
Balance at 31 December	**5,814**	**5,993**	**47,112**	**58,919**

In thousands of dram	For the period from 30 April 2013 (date of inception) to 31 December 2013			
	Class A	Class B	Class C	Total
Balance at 30 April	-	-	-	-
Increase in net assets attributable to unitholders	1,739	1,808	10,699	14,246
Issue of units during the period	5,859	6,000	50,545	62,404
Redemption of units during the period	-	-	-	-
Balance at 31 December	**7,598**	**7,808**	**61,244**	**76,650**
Net assets value per unit (in dram)	**1,307**	**1,303**	**1,300**	**1,301**

Unit Purchases, Redemptions and Distributions

Units in the Fund are offered at their net asset value per Unit ("NAV") on each business day as of information available at 03.00 of the following day ("NAV Determination Time"). A business day shall mean a day on which the Armenian Stock Exchange is open. Units will be redeemed at the NAV as of the relevant NAV Determination Time. Investment income earned by the Fund is accumulated and reinvested in the Fund and included in the determination of unit values.

Net assets attributable to unitholders represent a liability in the statement of financial position, carried at the redemption amount (excluding commission or other unitholder fees) that would be payable at the statement of financial position date if the unitholders exercised the right to redeem the units. Unitholders have the right to request on any business day the redemption of those units and the Fund is obligated to fulfill such request within 3 days.

9. Interest income

In thousands of dram	For the period from 30 April 2013 (date of inception) to 31 December 3013
Interest income on financial instruments at fair value through profit or loss:	
Government treasuries	2,980
	2,980

10. Net gain from financial instruments at fair value through profit or loss

In thousands of dram	For the period from 30 April 2013 (date of inception) to 31 December 3013
Net gain from financial assets at fair value through profit or loss:	
Government treasuries	11,688
	11,688

11. Transactions with the Manager and other related parties

a) Management fee

The Manager is entitled to receive a management fee of 0.4%, 1.0% and 1.85% of per annum of the net asset value of the Fund for Class A, Class B and Class C units, respective. Management fee is calculated and accrued on each dealing day and payable monthly in arrears. Management fee charged for the period was AMD 379 thousand of which AMD 60 thousand was outstanding at 31 December 2013.

b) Manager participation in the Fund

As at 31 December 2013 the Manager owned 4,962 units in the Fund representing 16.5%, 33.4% and 4,25% in Class A, Class B and Class C units outstanding as at that date, respectively. Total participation of the Manager as at 31 December 2013 was 8.4%. As at the issuance of these financial statements the Manager's total ownership in the Fund comprised 2.29%.

12. Fair values

A number of the Fund's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. IFRS defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Because of the short term nature of most financial assets and financial liabilities, management believes that their carrying amounts approximate their fair values. For certain other financial assets and financial liabilities, fair values are determined for measurement and for disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability, however given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realisable in an immediate sale of the assets or settlement of liabilities.

Financial assets/financial liabilities	Fair value as at 31 December 2013 In thousands of dram	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Financial assets at fair value through profit or loss:					
Republic of Armenia Government and Agencies debt securities	76,578	Level 2	Discounted cash flows based on contractual terms of debt securities and quoted in an active market government yield curve at the reporting date. Yield curves used ranged from 7.95% - 10.96%.	N/A	N/A
	76,578	-	-	-	-

Management applies judgment in categorising financial instruments using the fair value hierarchy. The significance of a valuation input is assessed against the fair value measurement in its entirety. The table below summarizes the Fund's financial assets and liabilities held at fair value by hierarchy as at 31 December 2013:

		31 December 2013			
In thousands of dram		**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Financial assets at fair value through profit or loss	Debt securities	-	76,578	-	76,578
Total financial assets carried at fair value		-	**76,578**	-	**76,578**

During the period ended 31 December 2013 there were no transfers from level 1 to level 2 in either direction.

13. Financial Highlights

	For the period from 30 April2013 (date of inception) to 31 December 2013			
	Class A	Class B	Class C	Total
Per Unit Operating Performance:				
Net asset value, beginning of period (b) (e)	1,000	1,000	1,000	1,000.00
Income from investment operations				
Net investment income (a)	-	-	-	0.06
Net realized and unrealized gain on investment	-	-	-	300.88
Total from investment operations	-	-	-	300.94
Distributions from net investment income	-	-	-	-
Net asset value, end of period (e)	1,307	1,303	1,300	1,300.94
Total Return (c),(d):	30.68%	30.29%	30.00%	30.09%
Ratio to average net assets of:				
Expenses (d)	-	-	-	0.83%
Net investment income (d)	-	-	-	5.02%

(a) Based on average units outstanding.

(b) Net asset value on day 1 of the Fund's inception period.

(c) Total investment return is calculated assuming an initial investment made at net asset value at the beginning of the period, reinvestment of all dividends and distributions, if any, and redemption on the last day of the period. Total return does not reflect the deduction of taxes that a unitholder would pay on the redemption of Fund units. Total return calculated for a period of less than one year is not annualized.

(d) Not annualized.

(e) In Dram.

Performance shown above is based on net asset value and assumes reinvestment of distributions, if any. Returns shown are net of fees. ***Past performance does not guarantee future results.***